

SL # 340  
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KNOW ALL MEN BY THESE PRESENTS: That Wm. T. Burton, husband of Ethel Lewis, a resident of Calcasieu Parish, Louisiana, hereinafter called transferrer, for and in consideration of Ninety-five Thousand (\$95,000.00) Dollars, cash in hand paid by The Texas Company, a corporation of the State of Delaware, does hereby sell, transfer and assign unto said The Texas Company, hereinafter called transferee, the following described oil, gas and mineral lease:

That certain lease bearing date February 7, 1936, and State Land Office No. 340, executed by the State of Louisiana in favor of W. T. Burton, covering and bearing upon the following described lands and water bottoms situated in the Parishes of Vermilion, Iberia, St. Mary, and Terrebonne, State of Louisiana, to-wit:

"All of the property now or formerly constituting the beds and other bottoms of lagoons, lakes, gulfs, bays, coves, sounds, inlets and other water bodies, and also all islands and other lands belonging to the State of Louisiana and not under lease from the State on the date of application, namely, Jan. 8th, 1936, and being situated or included within the following described boundaries:

"Beginning on the mean high water line at the most westerly tip of Terrebonne Parish, La., known as Pointe au Fer, and running along said mean high water line as it follows the shores of Atchafalaya Bay, Four League Bay, East Bay, Morrison's Cut-off, Bayou Sale Bay, East Cote Blanche Bay, West Cote Blanche Bay, Jaws or Little Bay, Vermilion Bay, Weeks Bay, and of all lagoons, lakes, bays, coves, sounds, inlets, and other water bodies adjoining or forming arms of said named bays, excluding, however, all rivers, creeks, streams or bayous tributary thereto, said mean high water line, with the exception of that part bordering Four League Bay or arms thereof, following the shores of Terrebonne, St. Mary, Iberia, and Vermilion Parishes, to the most eastern point on that promontory of land forming the west side of Southwest Pass; thence in a general westerly direction along the shore of the Gulf of Mexico to the dividing line between Cameron and Vermilion Parishes; thence south along said dividing line into the marginal or maritime belt of the Gulf of Mexico to the extreme limit or boundary of the domain, territory, and sovereignty of the State of Louisiana; thence easterly along said limit or boundary to a point due south of place of beginning; thence north to place of beginning, including in particular the beds and bottoms of Vermilion Bay, Weeks Bay, West Cote Blanche Bay, Jaws or Little Bay, East Cote Blanche Bay, Bayou Sale Bay, Morrison's Cut-off, East Bay, Atchafalaya Bay and Four League Bay, Southwest Pass and part of the Gulf of Mexico; this particularization, however, not being or intended to be all-inclusive.

"LESS AND EXCEPT MARSH ISLAND and the beds and bottoms underlying the following three described tracts:

"Tract #1/ That part of Vermilion Bay lying in the N $\frac{1}{2}$  of T. 15 S., R. 3 E., La. Mer.

"Tract #2/ That part of Vermilion Bay lying in Iberia Parish.

"Tract #3/ That part of Bayou Sale Bay and East Cote Blanche Bay bounded as follows:

"On the east and south by the shore line of St. Mary Parish, on the north by the north line of Town-

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ship 17 South - Range 9 East, Louisiana Meridian,  
and on the west by a line running due north from Pt.  
Chevreuil to the north line of said township.

"All of the above described property lying within the  
Parishes of Vermilion, Iberia, St. Mary, and Terrebonne,  
State of Louisiana."

1. As an additional consideration for the transfer  
and assignment of said lease herein transferred, said transferee  
agrees to pay to transferor concurrently with the payment of  
the rental stipulated in Article I of said lease to be paid to  
lessor, the sum of Ten Thousand & no/100 (\$10,000.00) Dollars  
cash, said sum to be paid to transferor annually as and if said  
rental under said lease is paid by the transferee herein to said  
lessor, until said transferee shall begin operations for the drill-  
ing of a well in search of oil, gas or other mineral upon said  
leased premises.

2. If and when transferee has begun drilling opera-  
tions upon said leased premises and continues said operations in  
accordance with the provisions of said lease, then and in that  
event transferee agrees to pay to transferor the sum of Ten Thou-  
sand & no/100 (\$10,000.00) Dollars for the entire acreage embraced  
in said lease, less the fifty thousand (50,000) acres described  
in sub-paragraph (b) of Article II of said lease, said sum to be  
paid to transferor annually as and if said rental under said  
lease is paid by the transferee herein to lessor.

3. If and in event transferee begins operations for  
the drilling of a well upon a second area located upon said leased  
premises and continues said drilling operations in accordance with  
the provisions of said lease, then and in that event transferee  
agrees to pay to transferor Ten Thousand & no/100 (\$10,000.00)  
Dollars for the entire acreage embraced in said lease, less the  
one hundred thousand (100,000) acres described in sub-paragraph  
(d) of Article II of said lease, said sum to be paid to trans-  
ferrer annually as and if said rental under said lease is paid  
by the transferee herein to lessor.

4. If and when transferee shall commence operations  
for the drilling of a well upon a third separate area located  
upon said leased premises, then and in that event transferor  
shall not be entitled to any annual payment so long as operations  
are conducted continuously upon all three separate areas in ac-  
cordance with the terms and conditions of said lease.

5. If, during the primary term of five (5) years and  
prior to the discovery of oil, gas or other mineral in paying  
quantities, transferee should decide that it does not wish to con-  
tinue drilling operations upon as many as three separate prospec-  
tive areas located upon said leased premises, then and in that e-  
vent transferee shall have the right to cease such drilling opera-  
tions upon any one or all of said three prospective areas and re-  
sume the payment to transferor of the sum of Ten Thousand & no/100  
(\$10,000.00) Dollars, said sum to be paid to transferor annually  
as and if payment of rental under Article I of said lease is re-  
sumed by transferee herein to lessor.

6. If, after the expiration of the primary term of five  
(5) years, transferee should cease operations and elect within  
six (6) months from the date of such cessation of operations to  
continue or resume operations upon any one prospective area lo-  
cated upon said leased premises and resume the payment to lessor  
of the annual rental stipulated in sub-paragraph (f) of Article  
II of said lease herein assigned, then and in that event trans-  
feree agrees to pay to transferor concurrently with said annual  
rental payment to lessor the sum of Ten Thousand & no/100 (\$10,000.00)  
Dollars cash, said sum to be paid to transferor annually as and  
if said rental under sub-paragraph (f) of Article II of said lease  
is paid by transferee herein to said lessor.

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7. As a further and additional consideration of the transfer and assignment of said lease herein transferred, the transferee agrees that if and in event it shall discover and produce oil, gas and/or other minerals from said leased premises and water bottoms, it will in that event pay and deliver to transferrer an undivided one-twenty-fourth (1/24) of all of such oil, gas and/or other minerals produced and saved therefrom, as an overriding royalty, over and above the royalty to be paid to lessor in said lease, and which said overriding one-twenty-fourth (1/24) royalty shall be paid or delivered to said transferrer in the same manner as the royalty provided in said lease is paid to the lessor; it being distinctly understood, however, that no obligation is imposed on transferee to develop said leased premises nor to drill any well or wells thereon, save at its own option and election, it being understood that said overriding royalty on oil and/or gas shall be computed on the net quantity thereof produced and saved, after deducting any that may be used for operations on said leased premises.

8. Transferee shall pay or tender to transferrer, or to the credit of transferrer in the Calcasieu - Marine National Bank at Lake Charles, Louisiana, or its successor (which bank and/or successor bank is transferrer's agent), all sums contemplated herein to be paid to transferrer by transferee, including all royalty payments, and all such payments or tenders may be made by the check or draft of transferee mailed or delivered to said bank or transferrer on or before such date of payment.

9. It is warranted by transferrer that he has a good title to said lease, that the same is at this date a valid and subsisting lease, and that the recited consideration in said lease has been actually paid.

10. Transferee has the right at any time, at its election, to surrender or abandon said lease in whole or in part, without liability of any kind whatsoever, and it is agreed that in the event transferee elects to abandon or surrender said lease, or any part thereof, instead of surrendering the same back to lessor it will reassign back to transferrer said lease or such part thereof as is intended to be surrendered or abandoned, under the following conditions:

Transferee agrees to give transferrer not less than thirty (30) days written notice of its intention to so abandon said lease or any part thereof prior to the next ensuing rental paying date or date upon which drilling is required under the terms of said lease. Transferrer shall then notify transferee in writing, within twenty (20) days of the receipt of such notice, of his intention to accept or reject such reassignment, and failing so to do, transferee may immediately, without liability hereunder, release said lease or any part thereof to the lessor, it being distinctly understood that in event of such surrender or abandonment to lessor or to transferrer, transferee shall thereupon be relieved and released from any and all further obligations to the lessor and to transferrer hereunder, including the annual payments referred to in paragraphs 1, 2, 3, 5 and 6 hereof, to be made by transferee to transferrer in so far as the property re-leased back to lessor or to transferrer is concerned, anything in this assignment to the contrary notwithstanding. In the event transferrer elects to accept such reassignment transferee will, upon such notification, promptly furnish transferrer a recordable instrument of reassignment, transferrer to obtain the official approval of such reassignment, it being agreed and understood, however, that transferee shall have a reasonable time thereafter for the removal from said lease or reassigned part thereof any and all of its mov-

able property placed thereon by it under the terms of said lease.

11. In no event shall transferee be obligated against its wish or option to drill or otherwise carry on operations under said lease.

IN WITNESS WHEREOF, this instrument is executed in triplicate originals this 27th day of February, 1936.

Witnesses:

L. Brown  
Witness

Wm. T. Burton  
Transferor

E. H. H. H.  
Witness

THE TEXAS COMPANY  
By E. C. Stewart  
Transferee.

STATE OF LOUISIANA  
PARISH Cadde }  
OF

BE IT KNOWN, That on this 15 day of February, 1936, before me, the undersigned authority, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared R. C. Stewart  
Division Manager of The Texas Company  
to me well known, and known to be such Division Manager  
of The Texas Company  
R. C. Stewart, as such Division Manager, and executed the foregoing instrument, and thereupon the said  
acknowledged that he had signed and executed the same as his act and deed, and as the act and deed of the said corporation, for the consideration, uses and purposes and on the terms and conditions therein mentioned and in his said capacity.

And the said R. C. Stewart, being by me first duly sworn, did depose and say that he is  
the Division Manager of The Texas Company  
and that he signed and executed said instrument in his said capacity, and under authority of the Board of Directors of said corporation.

Thus done and passed in the Parish of Louisiana  
on the day and date first hereinabove written, and in the presence of L. E. Hawkins  
and L. E. Hawkins, competent witnesses, who have hereunto subscribed their names as such,  
together with said appearer and me, said authority, after due reading.

Witnesses:  
L. E. Hawkins  
L. E. Hawkins  
R. C. Stewart  
Notary Public in and for the Parish Louisiana  
of Cadde, State of Louisiana

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STATE OF LOUISIANA  
 PARISH OF Caddo

BE IT KNOWN, that on this 15th day of February, 1956, before me, the undersigned authority, and in the presence of L. Brown and S. W. Marshall, competent witnesses, personally came and appeared Wm. T. Burton, who acknowledged unto me, said authority, in the presence of said witnesses, that he is the identical person who signed and executed the foregoing instrument in writing; that the same is his own free and voluntary act and deed; that he executed the same for the purposes and on the conditions and terms therein expressed.

Thus done and passed in the Parish of Caddo, State of Louisiana, on the day and date first above written, in the presence of the above named and undersigned witnesses, who have hereunto subscribed their names, together with said appearer and me, said authority, after reading the whole.

Witnesses:

L. Brown  
S. W. Marshall

Wm. T. Burton  
W. W. Thompson

Notary Public in and for the Parish of  
 State of Louisiana

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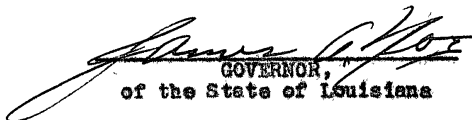
Baton Rouge, Louisiana,

February 18th, 1936.

I hereby approve the foregoing instrument, with the distinct understanding and agreement that the transferee shall be bound and obligated to carry out all the terms and conditions of the original lease from the State of Louisiana to Wm. T. Burton dated February 7, 1936, and bearing No. 340 in the office of the Register of the State Land Office, in so far as it concerns the property described in and covered by said instrument.

Furthermore, the violation of or the failure to comply with the terms of the original lease prior hereto by the original lessee or prior assignees shall not be cured by the consent by the State to this instrument.

APPROVED:

  
GOVERNOR,  
of the State of Louisiana

Witnesses:

